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INFO RUEHKK/ARAB ISRAELI COLLECTIVE
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C O N F I D E N T I A L SECTION 01 OF 02 JERUSALEM 002224

SIPDIS

NEA FOR FRONT OFFICE, SEMEP, PPD, AND IPA; NSC FOR
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E.O. 12958: DECL: 12/08/2019
TAGS: [PGOV](#) [PBTS](#) [KPAL](#) [KWBG](#) [IS](#)
SUBJECT: SETTLEMENT MORATORIUM: WEST BANK SETTLERS ANGRY,
PALESTINIANS UNIMPRESSED, CONSTRUCTION CONTINUES

REF: A. JERUSALEM 2130
[1](#)B. TEL AVIV 2590
[1](#)C. JERUSALEM 2174
[1](#)D. JERUSALEM 1651
[1](#)E. TEL AVIV 2617

Classified By: Consul General Daniel Rubinstein
for reasons 1.4 (b) and (d).

[1](#)1. (SBU) Summary. Despite recent GOI outreach to the settler community, Post contacts continue to express distrust of Israeli Prime Minister Netanyahu and blame the USG for the current moratorium on West Bank construction. Meanwhile, most Palestinian contacts remain unimpressed with what they see as a "freeze" in name only, given grandfathered-in exceptions and press reports of additional new GOI approvals. Finally, NGO contacts report fears of retaliatory attacks on Palestinians by extremist settlers. End Summary.

WEST BANK SETTLERS ANGRY AT NETANYAHU AND USG

[1](#)2. (U) In recent days, the Israeli press has reported a series of GOI meetings with West Bank settler leaders to explain terms of the settlement moratorium. According to Israeli dailies, Minister of Defense Ehud Barak and Prime Minister Netanyahu offered, in separate meetings held December 2 and 3, respectively, various measures to ease the impact of the moratorium, such as additional funding for settlement schools and other services. Israeli press also reported that the GOI established an exceptions committee, through which settlers can apply for permits to build in special cases, such as sewage or electricity needs.

[1](#)3. (C) Jordan Valley Regional Council "mayor" David Elhayani -- who attended the Barak and Netanyahu meetings -- told PolOff on December 4 that both officials tried to placate settler leaders in attendance. "(Netanyahu) said it will only be ten months," he said, adding, "that's it, and then it will be lifted -- and we will go back to normal, we can build again." Elhayani reported that GOI officials had said that certain building projects would be allowed to continue, despite the moratorium. "We're not worried in the Jordan Valley, we just keep building," Elhayani said. "Even Barak told us, it's okay, we can keep building in (the Jordan Valley settlement of) Maskiyyot, even though not all foundations have started yet." Note: Construction permits for 20 additional housing units in Maskiyyot were among the roughly 500 new permits issued by the Ministry of Defense in early September (Ref D). End Note.

[1](#)4. (C) Elhayani claimed that Netanyahu's and Barak's offers have made little impact on settler opposition to the moratorium. "We are concerned about our future, we don't know the plans," Elhayani told PolOff. He noted that Jordan

Valley settlers plan to call a meeting to discuss actions against the moratorium, including "closing the roads, the gates, and keeping the children home from school." Elhayani concluded, "Netanyahu wants to show the world the price of putting a hand out to the Palestinians for negotiations. That after 10 months, he can say, I did my best, I was serious and the Palestinians were not."

15. (C) Ariel mayor Ron Nachman told PolOff on December 4, "this must make you happy, the freezing of the settlements -- a gift for Thanksgiving." He blamed USG pressure for the moratorium decision and added, "tell your government the damage to the U.S. will be bigger than (the moratorium's impact on) Judea and Samaria."

MODIIN ILLIT "UNAFFECTED" BY MORATORIUM

16. (C) In contrast, Modiin Illit mayor Yaacov Guterman told PolOff on December 3 that many in his community were not even aware of the moratorium. "This a community that trusts the mayor and its rabbis," said Guterman, noting that most in the ultra-orthodox city of Modiin Illit do not have Internet access, and do not follow breaking news. In addition, he pointed out, "actual residents are not feeling" the effects of the moratorium -- because housing construction continues. Guterman claimed that construction is underway on nearly 2,000 housing units in the community, based on previous approvals. He claimed that enough foundations have been laid to ensure that construction activity will continue throughout the 10-month moratorium. PolOff toured the city with Guterman and observed ongoing work on several of these

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large-scale housing projects. Note: According to media reports, Modiin Illit is the fastest-growing settlement in the occupied territories. End Note.

17. (C) Guterman told PolOff he does not trust Netanyahu or his politics, but does trust the strength of the Israeli political system. "We're strong in it," said Guterman, referring to the power of the right-wing political factions. He added that if future construction is halted indefinitely, "people will be angry -- not because of ideology but because of money." According to Guterman, large amounts of capital have been invested by construction companies, banks, and organized groups seeking to purchase homes. "Unless the government is willing to compensate for the loss of the investment, construction can not be stopped," argued Guterman. In the meantime, he said that he understood the political need for a temporary construction freeze -- but recommended the GOI adjust its terms, by allowing construction of public buildings and additions to existing residential structures, in order to make the moratorium "more reasonable and able to operate."

PALESTINIANS UNIMPRESSED BY "MORATORIUM"

18. (C) Palestinian contacts expressed dissatisfaction with the moratorium and disinterest in the controversy surrounding its enforcement. Khalil Tufakji, Head of Mapping and Land Registries at the Arab Studies Society, told PolOff on December 3 that he was surprised there had been no official Palestinian Authority reaction to the Israeli construction moratorium. He described the GOI decision as a "freeze" in name only, noting that the Israelis were still building and seeking exceptions to the moratorium. Tufakji noted that while Palestinians are angry at the GOI and disappointed in the USG, dissatisfaction has not translated into demonstrations or violence.

19. (C) Hani al-Hayak, Mayor of the West Bank community of Bayt Sahur (near Bethlehem), told PolOff on December 4 that Netanyahu's moratorium has brought no change to the situation. Every day, he said, he reads about new

construction, in spite of the moratorium. Al-Hayak argued that "settlers will continue to build as long as they want to, regardless of any governmental decision" -- and also noted the lack, despite Palestinian anger, of public protests or demonstrations. Note: Palestinian dailies have featured little on Palestinian responses to the moratorium, focusing instead on Israeli settlers' negative reaction. End Note.

ARMY, NGOS FEAR RETALIATORY ATTACKS AGAINST PALESTINIANS

¶10. (C) Post NGO contacts echoed concerns, attributed by the Israeli press to the Israel Defense Forces, that settlers may target Palestinians in the West Bank in retaliation for GOI policies. Rabbi Yehiel Grenimann of Rabbis for Human Rights told PolOff on November 30 that his organization is planning to provide protection to Palestinian villagers in the event of settler attacks. Simon Agerberg, Political Advisor to the Temporary International Presence in the City of Hebron (TIPH), told PolOff on December 4, "the situation in Hebron is getting tense -- particularly in (the settlement of) Kiryat Arba, where the moratorium is widely-opposed. One of the growing concerns on our part is the risk of attacks against Palestinians from the settler community."

RUBINSTEIN